



August 11, 2006

Senator Charles Grassley, Chairman
Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, DC, 20510
E-mail: mtb2006@finance-rep.senate.gov

REF: Request for Comments on Miscellaneous Tariff Measures (July 11, 2006 Press Release)

Dear Chairman Grassley:

On behalf of the American Apparel and Footwear Association – the national trade association of the apparel and footwear industries, and their suppliers – I am writing to express strong support for the following bills identified in the subject press release.

S 3080, S 3124, S 3198, S 2833, S 2834, S 2835, S2836, S 2837, S 2841, S 2842, S 2843, S 2844, S 2845, S2846, S 2848, S 3124, S 3477, S 3571, S 3572, S 3573, S3574, S3575, S3576, S 3669, S 3670, S 3671, S 3672, S 3673, S3674, S 3735, S 3736 – Duty suspensions with respect to various footwear articles.

Comment. AAFA strongly supports these provisions. We are not aware of any domestic production of any of these footwear articles. Moreover, in the few cases where these bills cover the 17 footwear items that the Rubber & Plastics Footwear Manufacturers Association (RPFMA) identify as still being manufactured in the United States, the measures were crafted and refined, with the assistance of RPFMA and domestic industry, to ensure that they do not affect any domestic production of footwear.

S 3123, S 3125, S 3126, S 3127, S. 3393, S. 3394, S. 3396, S. 3397, S. 3400, S. 3401, S.3402, S. 3403, S 3493, S 3494 – Duty suspensions with respect to ski, snowboard and other water-resistant pants (i.e. performance outerwear pants) and bills to remove such pants from any sort of U.S. import quotas.

Comment. AAFA strongly supports these provisions. AAFA was involved in the development of these pieces of legislation. There is no domestic production of performance outerwear pants. Therefore, subjecting imports of such pants to duties or quotas provides no benefits to U.S. manufacturers while subjecting U.S. companies and U.S. consumers to additional costs.

S 3241/S 3242 – Two bills to provide duty suspensions with respect to various backpacks.

Comment. AAFA strongly supports these provisions. We are not aware of any domestic production of any of these backpacks.

S. 1954 – A bill to amend the General Notes of the HTS to give products imported from U.S. insular possessions the same treatment as products imported from FTA countries.

Comment: AAFA strongly supports this legislation. We have previously communicated to the Committee our strong support for this measure, and our desire to see this bill included in the miscellaneous tariff bill.

S. 738/S. 3344 – Bills to provide suspension of duty for certain cotton shirting fabrics.

Comment: AAFA strongly supports this legislation. Our association supported an earlier version of this legislation in the 108th Congress. This legislation would result in duty elimination for cotton fabrics that are already designated in short supply under various trade preference programs because these fabrics are unavailable in the United States and in the preference countries. Given that finished shirts may enter duty free using these fabrics, we believe it is also appropriate to permit the fabrics themselves to enter duty free. Thus, U.S. domestic manufacturers of shirts will be able to enjoy equal access to those same high quality fabrics that foreign-based manufacturers enjoy.

S. 3164 - A bill to extend trade benefits to certain tents imported into the United States.

Comment. AAFA strongly supports this provision. This legislation relates to certain camping tents, which are not made in the United States. Moreover, similar but slightly smaller tents, differentiated only by the fact that they are classified as “backpacking” tents, already enjoy duty free treatment. This provision would correct that anomaly.

S. 3051, 3052, 3053, and 3054 - Bills to provide suspension of duty for certain fibers.

Comment. AAFA strongly supports these provisions. Each of these fibers is a unique, innovative product, which is not available in the United States. Therefore, subjecting imports of the subject fibers to duties or quotas provides no benefits to U.S. manufacturers while subjecting U.S. companies and U.S. consumers to additional costs.

In addition, we note the inclusion of a number of other provisions relating to various yarns, fabrics and fibers. While we are not taking a position on any of these provisions we would suggest that reduction in duties in those articles is more likely to sustain U.S. jobs by providing U.S. manufacturers access to foreign inputs when those inputs are no longer available in the United States. Moreover, inasmuch as many free trade agreements now contain yarn and/or fiber forward principles, enactment of such provisions may also facilitate proper findings of short supply for those programs, which would also support U.S. jobs dependent on those production-sharing relationships.

Finally, we have not commented on bills that were included in the trade provisions section of the HR 4 – the Pension Protection Act of 2006.

Please contact me should you require additional information on these or other provisions.

Respectfully submitted,



Stephen Lamar
Senior Vice President



August 15, 2006

The Honorable Charles Grassley
Chairman, Senate Finance Committee
219 Dirksen Office Building
Washington, DC 20510

RE: S. 738 and S. 3344 – Legislation to suspend duties on woven cotton shirting fabrics

Dear Mr. Chairman:

I am writing to let you know of the National Council of Textile Organization's (NCTO) strong opposition to duty suspension legislation for woven cotton shirting fabrics. Legislation to suspend duties on woven cotton shirting fabrics was introduced by Senator Arlen Specter and the bill numbers are S. 738 and S. 3344.

The NCTO is an association representing the entire spectrum of the textile industry, including fibers, yarns, fabrics and industry suppliers. Several of our member companies manufacture woven cotton shirting fabrics that are used to produce men's and boy's shirts. This category of imports is also very import sensitive and this is why NCTO and other trade associations were successful in having safeguards imposed against men's and boys' cotton woven shirts from China. A major consideration in the government's decision to reimpose quotas was the impact that Chinese imports of woven cotton men's and boys' shirts were having on U.S. shirting fabric manufacturers.

With respect to S. 738, we also understand that there is a difference of opinion between the International Trade Commission (ITC) and the U.S. Customs Service regarding the exact fabrics that would be covered under this duty suspension. While the ITC maintains that only certain fabrics will be covered under this legislation, specifically those fabrics covered under Annex 401 of the NAFTA, the Customs Service interprets this legislation to open the floodgates to all imports of woven cotton fabrics used in the production of men's and boys' shirts. If this happens, the U.S. textile industry would be devastated.

Given that quotas have been reimposed on imports of men's and boy's woven cotton shirts from China because of the damage these imports were having on domestic shirting fabric manufacturers and also that there is a difference of opinion regarding which categories of cotton woven fabrics would actually be affected, NCTO must strongly oppose these bills.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on January 1, 2005. If this industry is forced to absorb duty-free competition resulting from measures such as this, many companies will be unable to compete and will be forced to exit the market.

I understand that Congress has provided the duty suspension process to address situations where domestic capacity does not exist. As evidenced by the government's own actions, U.S. manufacturers produce significant quantities of these products and are capable of meeting domestic demand. As a result, we do not believe these duty suspension proposals merit approval, and NCTO strongly encourages an unfavorable report by the Committee on these bills.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Cass Johnson", written over a thin red horizontal line.

Cass Johnson
President
cjohnson@ncto.org